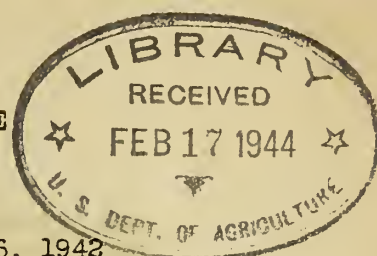


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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Administration
Washington, D. C.

December 16, 1942

SPECIAL COMMODITIES BRANCH MEMORANDUM NO. 3

To: All Divisions and Sections, Special Commodities Branch
From: H. C. Albin, Chief, Special Commodities Branch
Subject: Contracts to Purchase

The following instructions for the development and handling of Purchase Contracts will become effective as of the above date:

- A. Insofar as is possible, standard forms of Offer and Acceptance shall be used by this Branch in the preparation of purchase contracts. It is the responsibility of the Announcement and Contract Section of the Program Development Division to see that all vendors who receive announcements also receive supplies of the proper forms for making offers pursuant to such announcements.

The commodity division shall prepare an offer and acceptance form which embodies all of the information necessary to the transaction for each commodity handled, except that, wherever possible, a single form shall be used to cover as many commodities as may be covered thereunder. Every offer form shall make provisions for the following:

1. Quantity
2. Point of Delivery
3. Description
4. Price
5. Delivery Condition
6. Specifications
7. Labeling, Packaging and marking specifications
8. Price Ceiling Warranty
9. Execution
10. Acceptance
11. Payment

Offer forms will be prepared in the following manner:

1. The original and four copies of the offer shall be forwarded to the Announcement Unit of the Contract Section. The original and first copy of each shall bear the initials of the person preparing the form, his division chief and a representative of the Container Specifications Division (Mr. Joslin), and the related inspection service. The Announcement Unit will obtain

the initials of representatives of the Custody and Disposition (Mr. Bowen) and the Program Services (Mr. Bixby) Divisions. The Program Services Division will retain the initialed copy and return the original and other copies to the Announcement Unit, which will obtain the initials of the Chief of the Special Commodities Branch.

2. The Announcement Unit will prepare a duplicating requisition and will work with the Duplicating Section to insure mailing, without fail, within the prescribed time. Two legible copies of the offer shall accompany the duplicating requisition. The initialed original shall be retained in the files of the Announcement Unit and one copy, with all changes noted, shall be sent to the commodity division.
3. One copy of the duplicated offer, together with a copy of the announcement shall be sent to each of the following:

Marketing Reports Division - Mr. Dorsey, Rm. 2734
Custody & Disposition Division - Mr. Bowen, Rm. 0744
Fiscal Branch
Mr. Albin
Mr. Peyton
Program Services Division
Commodity division concerned (12 copies)

- B. In cases where, for reasons of expediency, it is advisable in the judgement of the Commodity Division Chief to proceed on an informal basis, telegraphic completion of contracts is acceptable. However, care must be exercised to include all of the necessary elements of a contract, which are as follows:
1. The applicable purchase announcement.
 2. The telegraphic offer by the vendor.
 3. The telegraphic notice of award (or counter offer).
 4. Confirmation by the vendor or his acceptance of the counter offer.
- C. Offer and acceptance forms shall be returned by the vendors in an original and four signed copies. Acceptance of offers shall be made by the chief of the commodity division concerned, or, in his absence, by the Chief, or Assistant Chief of the Branch. Notices of award and acceptance forms shall be signed as follows:

John Doe
Purchase Representative
F.S.C.C. (or A.M.A.)

The original and four copies of the offer, the rough abstract, which is to be returned to the commodity division, and the ditto copies of the abstract of acceptance shall be forwarded to the Announcement and Contract Section.

Distribution of the Contracts will be as follows:

- Original and one copy to Fiscal Branch (Accounting Division)
- One copy to Program Accounting, New York, N.Y.
- One copy to vendor
- One copy to Contract files

The Contract file copy shall be routed to the Shipping and Accountability Sections of the Transportation and Warehousing Branch before filing. Telegraphic acceptances will be prepared in five white copies, one yellow and one green copy and a telegraphic blank. These will be sent together to the Announcement and Contract Section for distribution as follows:

- Telegraphic blank and one white copy for transmission to vendor
- Two white copies to Fiscal Branch (Accounting Division)
- One white copy to Program Accounting, New York, N.Y.
- One white copy to Contract file
- Yellow and green copies to Central files

D. The Announcement and Contract Section shall maintain files and records of Contracts in accordance with established procedure and shall furnish contractors with required information, forms and instructions. All contractors shall be supplied with the following:

1. One copy of "Instructions to Vendors" or "Instructions to Warehousemen" as applicable.
2. One sample Voucher (Form SMA 120)
3. A supply of Vouchers (Form SMA 120)
4. Any special instructions issued relative to the particular purchase.

E. The proper and complete routing of contracts, within this Branch is:

1. Purchases Announcement form originates in Commodity Division
2. Commodity Division obtains approval and initials of Chief of Division, related inspection service, and Representative of Container Specifications Division and forwards to Announcement and Contract Section.
3. Announcement and Contract Section obtains clearance with other branches, initials of Chief, Special Commodities Branch and forwards to vendors.
4. Commodity division receives offers from vendors and prepares acceptances, forwarding the necessary copies together with rough and ditto copies of abstracts and the original and four copies of the offer to the Announcement and Contract Section.
5. Announcement and Contract Section assembles contracts, checks abstracts, notifies vendors, routes copies of contracts as directed herein and maintains files and records of contracts.



